

Important MCQs for SY B Com IV Sem

- Q. Choose the correct alternatives from the given.**
- Which of the following is not the scope of public finance .
 - public revenue
 - monetary management**
 - public expenditure
 - finanacial administration
 - _____ budget should be followed during depression
 - deficit**
 - surplus
 - balanced
 - neutral
 - Which of the following one is not the function of public finance.
 - public revenue
 - public debt
 - public expenditure
 - private expenditure**
 - Maximum social adaantage is achived when _____
 - marginal social sacrifice = marginal social Benefit**
 - Total soccial sacrifice = Total social benefit
 - average social sacrifice = average social benefit
 - net social benefit = net social benefit
 - In the Maximum Social Theory Tax is subject to the -----
 - constant marginal social sacrifice
 - decreasing marginal social sacrifice
 - increasing marginal social sacrifice**
 - both 2 and 3
 - The slope of MSS curve is _____
 - Downward
 - vartical
 - upward**
 - horizontal
 - NSA will be positive when _____
 - MSR = MSS
 - MSB < MSS
 - MSB > MSS**
 - MSB- MSS

8. Production efficiency is obtained when production is----
- 1) **on pcc**
 - 2) inside pcc
 - 3) outside pcc
 - 4) both 2 and 3
9. Productive efficiency occurs when-----
- 1) Average cost is declining
 - 2) Marginal cost is declining
 - 3) Marginal cost is negative
 - 4) **Maximum number of goods is produced with given amount of inputs**
10. The term market failure refers to _____
- 1) **a market that fails to allocate resources efficiently**
 - 2) an unsuccessful product
 - 3) cut throat competition among firms
 - 4) a firm that is forced out of business because of losses
11. Market failure results when it fails to-----
- 1) earn supernormal profit
 - 2) equal distribution of income
 - 3) **achive Pareto optimality**
 - 4) earn subnormal profit
12. Which of the following is not canons of taxation
- 1) can one of equity
 - 2) canon of certianty
 - 3) **canon of benefit**
 - 4) canon of elasticity
13. Which of the following one is the administrative revenue-----
- 1) gift and grants
 - 2) deficit financing
 - 3) **fines and penalties**
 - 4) borrowing
14. Which of the following is not the merits of direct tose _____
- 1) equitable
 - 2) cortainty
 - 3) elastic
 - 4) **arbitrary**
15. Which of the following one is not the canon of taxation-----
- 1) canon of equality
 - 2) canon of certainty
 - 3) **canon of inequality**
 - 4) canon of economy

16. Incidence of tax refers to _____
- 1) **final money burdan of tax**
 - 2) initial money burdan of tax
 - 3) indirect money burdan of tax
 - 4) real burden of tax
17. In case of perfectly inelastic demand money burden falls -----
- 1) entirely on sellers
 - 2) **enterly on buyers**
 - 3) partially on sellers
 - 4) partially on buyers
18. In case of perfectly elastic supply the incidance of tax is _____
- 1) entirely on seller
 - 2) **entirely on buyer**
 - 3) partially to the buyers
 - 4) partially on the seller
19. Under increasing cost condition the burdan of tax is -----
- 1) **partially on buyers**
 - 2) entirly on buyers
 - 3) entirly on sellers
 - 4) entirely on buyers and sellers
20. Steep tax rate will reduce the willingness to _____
- 1) work
 - 2) invest
 - 3) **both 1 and 2**
 - 4) profit
21. Under Monopoly the incidence of lumpsum tax is-----
- 1) **on the sellers**
 - 2) on the buyers
 - 3) partially on the sellers
 - 4) partially on the buyers
22. Tax on rich and luxury goods will _____
- 1) increase the investment
 - 2) **check inflation**
 - 3) check deflation
 - 4) check saving
23. In case of perfectly inelastic supply the incidance of tax is-----
- 1) entirely on buyers
 - 2) **entirely on sellers**
 - 3) partially on buyers
 - 4) partially on sellers

24. When the supply is more elastic the burden of tax is _____
- 1) more on the sellers
 - 2) more on the buyers**
 - 3) borne fully by the buyers
 - 4) borne fully by the sellers
25. Which of the one is not the canon of expenditure-----
- 1) canon of economy
 - 2) canon of surplus
 - 3) canon of benefit
 - 4) canon of loss**
26. Which of the following is not a characteristic of capital expenditure_____
- 1) gives right to capital assets
 - 2) is in the form of consumption**
 - 3) usually funded through public debt
 - 4) is in the form of investment
27. During recession _____
- 1) public expenditure should be reduced
 - 2) public expenditure should be increased**
 - 3) taxation should be increased
 - 4) public debt should be increased
28. According to wiseman peacock Hypothesis public expenditure increases in ____
- 1) step-like manner**
 - 2) a smooth and continuous manner
 - 3) a cyclical manner
 - 4) both 2 and 3
29. Public expenditure on education and health will have a-----effect on People's ability to work.
- 1) negative
 - 2) neutral
 - 3) positive**
 - 4) stagnating
30. Concentration effect refers to the increasing activities of _____
- 1) central government**
 - 2) state government
 - 3) local government
 - 4) both 2 and 3
31. Goods that are provided by both public and private sectors are known as-----
- 1) public good
 - 2) merit goods**
 - 3) social goods
 - 4) demerit goods

32. Which of the following programmes protect the people's right of work
- 1) public provident fund
 - 2) atal pension yojana
 - 3) MNAREGA
 - 4) pradhan mantri jan dhan youjana**
33. Which of the following one is not the cause to increasing public expenditure.
- 1) expansion of traditional functions
 - 2) welfare state
 - 3) fall in national income**
 - 4) growth of population
34. A dead weight debt is _____
- 1) self liquidating
 - 2) unproductive**
 - 3) increase productive efficiency
 - 4) not burdercome to the economy
35. Which of the following one is not the type of public debt-----
- 1) productive and unproductive debt
 - 2) voluntary and compulsory debt
 - 3) direct and indirect debt**
 - 4) internal and external debt
36. Burden of exernal debt affecting production and resource allocation is termed as _____
- 1) direct money burden
 - 2) direct real burden
 - 3) indirect money and real burden**
 - 4) indirect money burden
37. The sum of money payment for principle and interest made to external creditors is refered to-----
- 1) the direct real burden
 - 2) the direct money burden**
 - 3) indirect money and real burden
 - 4) foreign currency burden
38. Fiscal policy does not directly deal with _____
- 1) taxation
 - 2) public debt
 - 3) money supply**
 - 4) public expenditure
39. Agregate demand is comprised of _____
- 1) $AD = C + I + S$
 - 2) $AD = C + I + W$
 - 3) $AD = C + I + G$**
 - 4) $AD = C + I + R$

40. Which of the following is not a characteristic of a tax _____
- 1) is a compulsory payment
 - 2) is not imposed as penalty
 - 3) has quid-pro-quo**
 - 4) involves sacrifice on part of the payer
41. Which of the following one is not the objective of fiscal policy-----
- 1) economic stability
 - 2) controlling inflation
 - 3) optimum allocation of resources
 - 4) reduce employment**
42. Which of the following does not form the basis of sound finance
- 1) say's law
 - 2) assumption of full employment
 - 3) rigardian equivalence theorem
 - 4) unblanced budget**
43. According to say's law
- 1) budget deficits do not stimulate the economy
 - 2) supply creates its own demand**
 - 3) the Govt shall mentatin a revenue reasonable leel of demand as all time
 - 4) the coatalist system will collapse due to interent crises.
44. What is the appropriate budget policy during recession _____
- 1) balanced budget
 - 2) neutral budget
 - 3) surplus budge
 - 4) deficit budget**
45. If we diduct interest payment from fiscal deficit is termed as-----
- 1) revenue deficit
 - 2) budgetary deficit
 - 3) primary deficit**
 - 4) monetised deficit
46. Which of the following deficit is a more comprehensive measure of budgetary inbalances _____
- 1) revenue deficit
 - 2) budgetary deficit
 - 3) fiscal deficit**
 - 4) primary deficit
47. The difference between all receipts and expenditure of the Government is call as-----
- 1) revenue deficit
 - 2) budgetary deficit**
 - 3) fiscal deficit
 - 4) peimary deficit

48. Which of the following is concerned with division of economic responsibilities between the central and state governments in india _____
- 1) **finance commission**
 - 2) planning commission
 - 3) NITI Aayog
 - 4) RBI
49. Which of the following one is not the components of fiscal decentralization
- 1) expenditure sharing
 - 2) profit sharing
 - 3) tax sharing
 - 4) loans
50. Under the GST system, the tax levied on all lintex state supplies of goods and services is known as _____
- 1) CGST
 - 2) SGST
 - 3) VAT
 - 4) **IGST**
